101184
A3275-1

ASSOCIATION OF AMERICAN RAILROADS

SECOND QUARTER 1984
R&E Series No. 718

RAILROAD REVENUES, EXPENSES, AND INCOME

September 12, 1984

CLASS I RAILROADS IN THE UNITED STATES

(Dollars in thousands)

ACCOUNT	FOR THE SECOND QUARTER 1984	FOR THE SECOND QUARTER 1983	PERCENT INCREASE 1984 OVER 1983	FOR THE SIX MONTHS ENDED JUNE 30 1984	FOR THE SIX MONTHS ENDED JUNE 30 1983	PERCENT INCREASE 1984 OVER 1983
REVENUE						
FREIGHT	57 288 769	6 289 751	15.9	14 502 231	12 458 399	16.4
PASSENGER	25 149	26 078	D 3.5	51 107	53 299	D 4.1
PASSENGER RELATED	1 255	1 290	D 2.7	2 314	3 042	D 23.9
ALL OTHER OPERATING REVENUE	226 972	187 050	21.3	433 942	361 568	20.0
JOINT FACILITY ACCOUNT	2 929	3 637	D 19.4	6 371	7 157	D 11.0
TOTAL OPERATING REVENUES	7 545 074	6 507 806	15.9	14 995 965	12 883 465	16.3
EXPENSES						
DEPRECIATION ROAD	235 598	55 757		467 146	114 399	
ALL OTHER WAY AND STRUCTURES	912 150	1 262 615		1 650 604	2 230 215	
TOTAL WAY AND STRUCTURES	1 047 748	1 318 372		2 117 750	2 314 614	
DEPRECIATION EQUIPMENT	233 143	244 503	D 4.6	468 791	493 621	D 5.0
ALL OTHER EQUIPMENT	1 435 254	1 230 632	16.6	2 894 841	2 498 724	15.9
TOTAL EQUIPMENT EXPENSE	1 668 397	1 475 135	13.1	3 363 632	2 992 345	12.4
TRANSPORTATION TRAIN & YARD	2 728 427	2 382 466	14.5	5 489 366	4 869 741	12.7
TRANSPORTATION SPEC SERV & ADM	371 744	333 857	11.3	748 168	688 948	8.6
GENERAL AND ADMINISTRATIVE	654 979	636 484	2.9	1 371 604	1 286 730	6.6
TOTAL OPERATING EXPENSES	6 471 295	6 146 674		13 090 520	12 152 378	
NET REVENUE FROM RAILWAY OPERATIONS	1 073 779	361 132		1 905 445	731 087	
OTHER INCOME	290 032	338 654	D 14.3	568 625	555 689	2.3
DIVIDENDS FROM AFFILIATES	21 653	45 979	D 52.9	39 627	71 522	D 44.6
EQUITY IN UNDISTR EARN OF AFFIL	51 365	DR 78 560	D 165.0	76 291	DR 46 835	D 185.6
TOTAL INC FROM AFFILIATED COS	72 718	DR 32 581	D 323.1	115 918	DR 17 313	D 769.5
MISCELLANEOUS DEDUCTIONS	53 547	50 398		88 225	102 964	
INCOME AVAILABLE FOR FIXED CHARGES	1 383 982	616 827		2 501 763	1 166 500	
FIXED CHARGES						
INTEREST ON FUNDED DEBT	229 836	237 733	D 3.4	459 036	483 652	D 5.4
INTEREST ON UNFUNDED DEBT	16 122	9 468	69.9	22 548	15 316	47.3
AMORT OF DISCOUNT ON FUNDED DEBT	2 273	1 925	18.0	4 814	4 666	3.2
TOTAL FIXED CHARGES	248 231	248 646	D .2	491 398	504 253	D 2.5
INCOME AFTER FIXED CHARGES	1 134 751	368 181		2 010 365	662 247	
OTHER DEDUCTIONS	2 800	4 350	D 35.6	6 794	8 986	D 24.4
UNUSUAL OR INFREQ ITEMS (DR) CR	1 437	3 117	D 53.9	1 377	13 934	D 90.2
INCOME (LOSS) FR CONT OPER BEFORE INC TAX	1 133 384	366 948		2 005 148	667 495	
INCOME TAXES ON ORDINARY INCOME	47 504	16 799	D 182.7	86 206	34 327	D 151.1
PROVISION FOR DEFERRED INCOME TAXES	276 154	149 724		518 942	286 660	
INCOME (LOSS) FR CONT OPER AFTER INC TAX	809 430	233 523		1 492 000	415 162	
INCOME (LOSS) FR OPER OF DISCONT SEG	0	75	D 100.0	0	75	D 100.0
GAIN (LOSS) ON DISP OF DISCONT SEG	0	0		0	0	
ORDINARY INCOME	809 430	233 598		1 492 000	415 257	
EXTRAORDINARY ITEMS (NET)	10 020	23 780		15 006	23 780	
INCOME TAXES ON EXTRAORDINARY ITEMS	0	0		0	0	
PROV FOR DEF TAXES EXTRAORD ITEMS	0	0		0	0	
CUM EFFECT OF CHANGES IN ACCT PRIN	0	0		0	0	
NET INCOME (AFTER EXTRAORDINARY ITEMS)	819 450	257 378		1 417 006	439 037	
INCOME FROM LEASE OF ROAD & EQUIP	1 263	1 513	D 16.5	2 415	3 037	D 20.5
RENT FOR LEASED ROADS & EQUIPMENT	18 897	18 979	D .4	31 838	33 771	D 5.7
NET RAILWAY OPERATING INCOME	767 455	245 173		1 331 720	509 538	
CASH FLOW	1 503 240	762 122	97.2	2 780 588	1 396 752	99.1
RATIOS						
RATIO TO OPERATING REVENUES						
OPERATING EXPENSES	85.7	94.4		87.2	94.3	
OPERATING EXPENSES (INC INC TAXES)	90.2	96.5		91.3	96.2	
NET RAILWAY OPERATING INCOME	10.1	3.7		8.8	3.9	

* SEE PAGE 4

RATE OF RETURN ON PROPERTY INVESTMENT [a]

Year Ended June 30

(thousands)

	Net Investment		Net Railway Operating Income		Rate of Return [b]	
	1984	1983	1984	1983	1984	1983
EASTERN DISTRICT	11,640,183	11,640,183	736,455	265,484	6.33	3.14
SOUTHERN DISTRICT	9,662,604	9,660,604	583,527	214,236	6.04	2.22
WESTERN DISTRICT	22,231,000	22,231,000	1,306,141	507,282	5.88	2.28
UNITED STATES	43,533,787	43,531,787	2,626,123	1,086,902	6.03	2.50

RAILROAD REVENUES, EXPENSES, AND INCOME

SECOND QUARTER 1984 and 1983

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME			ORDINARY INCOME		
	1984	1983	1984	1983	1984	1983	1984	1983		1984	1983	
								DA	RRB		DA	RRB
EASTERN DISTRICT												
BALTIMORE & OHIO	$ 271	$ 228	$ 282	$ 236	$ 251	$ 253	$ 27	24	-20	$ 21	23	- 7
BESSEMER & LAKE ERIE	19	16	26	20	17	14	5	6	3	5	3	3
BOSTON & MAINE	30	29	32	30	30	31	2	N/A	0	2	N/A	0
CHESAPEAKE & OHIO	292	238	304	248	239	225	39	36	16	60	36	10
CONRAIL	838	737	871	766	697	731	164	85	35	169	97	36
DELAWARE & HUDSON	30	27	32	28	31	28	0	N/A	0	0	N/A	- 3
ELGIN, JOLIET & EASTERN	18	15	27	24	24	22	1	0	2	3	1	1
GRAND TRUNK WESTERN	81	73	86	77	83	74	4	3	3	2	2	0
NORFOLK & WESTERN	438	373	455	386	361	337	52	18	29	77	53	43
PITTSBURGH & LAKE ERIE	16	10	17	10	15	14	2	- 4	- 4	-1	- 7	- 7
EASTERN DISTRICT TOTAL	2 033	1 745	2 130	1 826	1 747	1 730	297	168	63	339	205	77
SOUTHERN DISTRICT												
FLORIDA EAST COAST	30	25	31	25	22	20	4	2	- 8	8	26	24
ILLINOIS CENTRAL GULF	222	197	241	216	225	217	14	5	- 1	13	0	- 6
SEABOARD SYSTEM	686	591	700	603	597	588	72	-16	18	71	31	12
SOUTHERN RY SYSTEM	453	401	463	409	360	348	62	20	44	60	51	40
SOUTHERN DISTRICT TOTAL	1 389	1 214	1 434	1 253	1 204	1 173	152	11	53	152	108	70
WESTERN DISTRICT												
ATCHISON, TOPEKA & SANTA FE	562	497	574	507	520	470	37	30	31	35	28	24
BURLINGTON NORTHERN	1 072	922	1 096	943	866	866	133	11	53	137	88	41
CHICAGO & NORTH WESTERN	197	184	223	209	201	197	19	13	13	12	8	7
CHICAGO, MILW, ST PAUL & PAC	107	85	111	90	108	95	3	- 5	- 5	6	-18	-22
DENVER & RIO GRANDE WESTERN	92	0	93	0	84	0	6	- 1	0	7	2	0
DULUTH, MISSABE & IRON RANGE	25	23	27	23	22	16	0	6	3	4	4	4
KANSAS CITY SOUTHERN	77	74	81	77	69	68	8	1	7	6	6	5
MISSOURI-KANSAS-TEXAS	68	55	72	58	67	52	5	5	6	2	3	4
MISSOURI PACIFIC	440	399	451	408	402	377	39	1	29	33	18	11
ST LOUIS SOUTHWESTERN	112	89	113	91	100	82	7	- 1	2	11	5	5
SOO LINE	70	65	72	66	71	67	1	- 2	0	2	0	0
SOUTHERN PACIFIC CO	544	484	561	497	551	510	24	38	-17	31	19	- 9
UNION PACIFIC	462	416	469	422	421	401	33	15	12	32	21	18
WESTERN PACIFIC	39	37	39	37	38	43	2	- 4	- 4	0	- 2	- 2
WESTERN DISTRICT TOTAL	3 866	3 331	3 981	3 429	3 521	3 244	319	107	129	318	182	86
GRAND TOTAL - UNITED STATES	7 289	6 290	7 545	6 508	6 471	6 147	767	286	245	809	495	234

Note: N/A - These Railroads did not restate 1983 results. RRB amounts included in totals.

RAILROAD REVENUES, EXPENSES, AND INCOME

SIX MONTHS ENDED JUNE 30, 1984 and 1983

Class I Railroads in the United States

(dollars in millions)

DISTRICT and RAILROAD	FREIGHT REVENUE ACCOUNT 101		TOTAL OPERATING REVENUES		TOTAL OPERATING EXPENSES		NET RAILWAY OPERATING INCOME			ORDINARY INCOME		
	1984	1983	1984	1983	1984	1983	1984	1983		1984	1983	
								DA	RRB		DA	RRB
EASTERN DISTRICT												
BALTIMORE & OHIO	526	433	547	450	502	472	544	19	-23	530	13	-15
BESSEMER & LAKE ERIE	30	25	39	30	33	29	3	3	0	4	0	1
BOSTON & MAINE	60	55	63	58	60	60	4	N/A	- 3	4	N/A	- 2
CHESAPEAKE & OHIO	533	442	552	459	469	421	49	42	28	81	34	15
CONRAIL	1 649	1 434	1 712	1 484	1 453	1 432	244	96	52	255	110	55
DELAWARE & HUDSON	58	50	62	52	63	56	-1	N/A	- 4	-2	N/A	- 9
ELGIN, JOLIET & EASTERN	36	29	54	45	47	41	3	1	3	6	3	3
GRAND TRUNK WESTERN	161	137	170	145	166	149	6	0	- 2	3	- 3	- 7
NORFOLK & WESTERN	0	706	892	734	722	668	87	38	40	135	81	66
PITTSBURGH & LAKE ERIE	-8	19	29	20	29	30	0	-10	-10	-5	-15	-15
EASTERN DISTRICT TOTAL	3 942	3 331	4 120	3 477	3 543	3 359	439	182	81	510	212	92
SOUTHERN DISTRICT												
FLORIDA EAST COAST	61	50	62	51	44	40	7	6	- 6	15	31	29
ILLINOIS CENTRAL GULF	455	402	496	440	462	433	30	4	6	24	- 8	- 6
SEABOARD SYSTEM	1 377	1 183	1 407	1 210	1 188	1 145	151	44	66	147	71	48
SOUTHERN RY SYSTEM	886	775	905	792	720	671	112	53	83	107	77	70
SOUTHERN DISTRICT TOTAL	2 779	2 411	2 870	2 492	2 413	2 290	300	107	149	295	171	140
WESTERN DISTRICT												
ATCHISON, TOPEKA & SANTA FE	1 134	974	1 156	993	1 053	954	71	35	34	67	26	21
BURLINGTON NORTHERN	2 173	1 894	2 220	1 937	1 768	1 709	253	99	147	277	159	119
CHICAGO & NORTH WESTERN	404	358	455	406	424	389	29	16	19	13	6	7
CHICAGO, MILW, ST PAUL & PAC	208	168	216	177	212	178	4	- 1	- 2	7	-16	-19
DENVER & RIO GRANDE WESTERN	179	68	181	70	165	64	12	3	5	10	6	5
DULUTH, MISSABE & IRON RANGE	39	32	42	33	40	30	-3	3	0	2	1	2
KANSAS CITY SOUTHERN	156	145	163	152	140	136	16	8	12	12	12	9
MISSOURI KANSAS-TEXAS	134	109	141	114	131	103	10	10	10	5	6	6
MISSOURI PACIFIC	871	803	895	823	794	751	79	36	61	62	38	28
ST. LOUIS SOUTHWESTERN	222	172	224	175	198	160	16	3	7	21	8	8
SOO LINE	152	130	155	133	147	130	5	- 1	2	6	1	2
SOUTHERN PACIFIC CO	1 074	933	1 108	960	1 101	1 013	35	10	-51	60	-10	-44
UNION PACIFIC	958	855	971	867	878	800	64	42	43	58	41	42
WESTERN PACIFIC	77	77	78	78	82	90	2	- 9	- 9	-3	- 4	- 4
WESTERN DISTRICT TOTAL	7 781	6 717	8 006	6 915	7 134	6 504	592	254	279	597	274	183
GRAND TOTAL - UNITED STATES	14 502	12 458	14 996	12 883	13 091	12 192	1 332	543	510	1 402	657	415

[illegible] - Railroads did not restate 1983 results. RRB amounts included in totals.

TOTAL OPERATING REVENUES, EXPENSES, ORDINARY INCOME, NET RAILWAY OPERATING INCOME, REVENUE TON—MILES AND CAPITAL EXPENDITURES

CLASS I RAILROADS IN THE UNITED STATES [d]
BY QUARTERS 1979 - 1984

(All amounts in millions)

Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total [c]
TOTAL OPERATING REVENUES					
1979	5 710	6 573	6 478	6 851	25 612
1980	6 802	6 943	6 995	7 517	28 257
1981	7 660	7 582	7 964	7 699	30 905
1982	7 196	7 226	6 613	6 482	27 507
1983	6 375	6 508	6 830	6 937	26 726
1984	7 451	7 545			
TOTAL OPERATING EXPENSES					
1979	5 587	6 057	6 343	6 422	24 409
1980	6 380	6 559	6 602	6 809	26 350
1981	6 954	7 174	7 332	7 117	28 577
1982	6 828	6 826	6 500	6 331	26 473
1983	6 006	6 147	6 340	6 396	24 964
1984	6 619	6 471			
ORDINARY INCOME (After Fixed Charges)					
1979	Def.$ 20	430	40	318	808
1980	264	174	148	544	1 130
1981	626	336	480	562	2 004
1982	210	358	199	425	1 180
1983	182	234	337	430	1 217
1984	593	809			
NET RAILWAY OPERATING INCOME					
1979	Def.$ 133	$ 270	$ 57	$ 257	$ 451
1980	57	387	57	299	800
1981	294	263	244	541	1 342
1982	475	278	434	198	1 385
1983	201	267	115	183	767
1984	264	245	399	385	1 296
	564	767			
REVENUE TON-MILES					
1979	207 945	239 009	229 572	237 173	913 699
1980	233 002	227 197	222 377	236 045	918 621
1981	236 597	222 516	227 534	225 058	911 705
1982	207 428	208 027	191 521	192 771	799 747
198	196 120	203 900	210 808	215 323	826 150
19	231 137	235 008			
CAPITAL EXPENDITURES					
1979	$ 669	767	856	1 033	3 325
1980	855	898	772	1 096	3 621
1981	926	710	550	668	2 854
1982	417	513	461	584	1 975
1983	227	505	364	710	1 807
1984	647	1 161			

Def. - Denotes Deficit

NOTE: Depreciation Accounting Effects on the REAI Report

Depreciation accounting affects the comparability of a number of statistics and trends published in the quarterly "Revenues, Expenses and Income" statement ("REAI"). Since the ICC does not require a complete restatement of 1983 quarterly data to depreciation accounting, this year's REAI is modified as follows:

Page 1: Income Statement -- where the comparision between 1984 and 1983 accounts is invalid, the percent increase or decrease statistic is not computed. For the first quarter, rates of return are computed on RRB basis (estimated). For the second, third and fourth quarters, rates of return are annualized percentages on a depreciation accounting basis.

Pages 2 & 3: Where data are available, 1983 Net Railway Operating Income and Net Income columns are shown on both a depreciation accounting and RRB basis.

Page 4: Prior to 1984, statistics are on the RRB basis. Beginning in 1984, statistics are on the depreciation accounting basis.

Economics & Finance Department
American Railroads Building
Washington, D.C. 20036

(202) 835-9372

a/ Rate of return is calculated on the net investment in road and equipment, less interest during construction and debit balances in other elements of investment plus working capital as calculated under Rail Form A procedures. The rate of return does not contain adjustments for investment tax credits as prescribed by the Commission in Ex Parte No. 393 due to lack of available data on a quarterly basis. It is estimated that the Ex Parte No. 393 formula would produce a slightly lower return for the majority of carriers than does the formulas used above.

b/ The 1984 and 1983 rate of return calculations are based on year-end 1983 net investment on a depreciation accounting basis. The 1983 NROI is for the first six months on a depreciation accounting basis. The resulting ratio is doubled to achieve a rate of return on an annual basis.

c/ Differences in totals and subtotals are due to rounding.

d/ Data for the first three quarters of 1979 include Chicago, Rock Island and Pacific Railroad. The Rock Island is included in Ton-Mile figures for year-end 1979.

e/ By Notice of Exemption served April 19, 1983, in Finance Docket No. 30160, the Baltimore and Ohio Railroad Company assumed control of the operations of the properties of Western Maryland. Results for 1984 and 1983 reflect this change.